

Guide for Preparing a Request for Proposal (RFP)
For Audit Services (revised 4/16/03)

Request for proposal. The City of _____ invites independent certified public accountants, licensed in Alaska, to submit proposals to perform financial and compliance audits in accordance with the following specifications:

Period. The audit will cover the fiscal year _____ that runs from _____ to _____.

Scope. The audit shall include an examination of the financial statements of all accounts and funds including/excluding _____. The examination shall be made in accordance with generally accepted auditing standards promulgated by the American Institute of Certified Public Accountants, GAO yellow book, and, if applicable:

Federal Single Audit Act
USOMB Circular A-125 and its Compliance Supplement

(02 AAC 45.100)
Audit Guide and Compliance Supplement for State Single Audits

The examination shall also be made in compliance with the laws of the State of Alaska.

Reports required. The following reports are expected at the completion of the audit:

- A report on examination of the financial statement of the City of _____ including all accounts and funds. The financial statements and the notes to the financial statements.
- A report on internal control and compliance in accordance with the Federal Single Audit Act and Audit Guide and Compliance Supplement for State Single Audits.
- A report of comments and recommendations that shall contain: _____.

Meetings and Timing. A pre-audit conference will be held with the city audit committee to discuss the scope of the audit.

The auditor may commence the examination on _____. The city will close its books no later than _____. During the audit, the auditor may be required to review the financial statements, compliance reports, and a draft of the report of comments and recommendations will be held no later than _____.

The proposal should include:

1. A statement of your understanding of the work, descriptions of the audit approach, and illustrations of the procedures to be employed.
2. The approximate date the audit will begin (including preliminary field work) and end, as well as the approximate dates for delivery of the financial statements, compliance reports, and report of comments and recommendations.
3. The not-to-exceed fee for performing the engagement, including out-of-pocket expenses. In addition, indicate the expected level of fees on future engagements.
4. Biographies, including experience of the individuals who will be assigned to the engagement, and relevant experience of each in auditing rural Alaskan municipalities.
5. Estimated hours required to complete the engagement by level of staff -- e.g., partner, manager, in-charge staff, and accountants.
6. Names, addresses, and telephone numbers of persons who may be contacted for reference.

Background information. The auditor will be selected by an audit committee with the approval of _____. The criteria that the committee will use to make the selection are as follows:

- Fees charged.
- Responsiveness to proposal.
- Experience with related projects.
- Past work history.
- Ability to meet schedule.

A pre-proposal conference will be held on _____ in _____ to provide background information for the audit and to answer specific questions. After the conference, if you want to obtain additional information or want to visit the city to obtain additional information, please contact _____. Auditors who do not attend the pre-proposal conference will not be afforded this opportunity. (optional)

The city will not honor requests for monthly progress payments.

The city has not decided/does not intend to have an audit on a recurring basis.

Enclosed for your information are copies of the following:

- Latest City annual report.
- Most recent official statement.
- Organization chart of the general government.
- Description of the accounting systems.

